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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company,

USA Capital Realty Advisors, LLC,

USA Capital Diversified Trust Deed Fund,
LLC,

USA Capital First Trust Deed Fund, LLC,¹

USA Securities, LLC,²

Debtors.

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR¹
Case No. BK-S-06-10729-LBR²

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**MOTION TO FURTHER EXTEND
DEADLINE TO FILE OBJECTION
TO ALLOWANCE OF CLAIMS
(with Certificate of Service)**

Date: May 8, 2008

Time: 10:30 a.m.

The USACM Liquidating Trust (the "USACM Trust") moves this Court for an order pursuant to 11 U.S.C. § 502(b) and Bankruptcy Rule 3007 enlarging the deadline for filing objections to Allowance of Claims, and in particular unsecured claims, for an additional 120 days, or until October 10, 2008. This Motion is based upon the following

¹ This bankruptcy case was closed on October 12, 2007.

² This bankruptcy case was closed on December 26, 2007.

Memorandum of Points and Authorities and is supported by the Court's record and the declaration of Edward M. Burr filed this date.

MEMORANDUM

Background

On January 8, 2007, this Court entered its Order Confirming the "Debtors' Third Amended Joint Chapter 11 Plan of Reorganization" as modified herein [DE 2376]. Notice of Entry of the Confirmation Order was filed on January 9, 2007, and served on January 11 and 12, 2007 [DE 2387].

Section VII A.1 Objection to Claims of the Plan provides:

Unless otherwise extended by the Court, objections to the allowance of Claims and Equity Interests shall be filed and served upon the entities asserting such Claims or Equity Interests as follows: (A) for any and all Claims and Equity Interests to which the General Bar Date applies, ninety (90) days after the Effective Date....

Accordingly, the deadline to file an objection to such Claim was 90 days after the Effective Date of March 12, 2007 or June 10, 2007. The Court extended the deadline to October 9, 2007 after a hearing [DE 4097]. The court extended the deadline to October 15, 2007 by a bridge order after a hearing on August 23, 2007 [DE 4625]. On October 11, 2007, the Court entered an order [DE 4971] extending the deadline to February 12, 2008. On January 22, 2008, the Court entered an order [DE 5709] extending the deadline to June 12, 2008.

When USACM Trust filed its first motion to extend the deadline to file objections to proofs of claim, approximately 2,465 proofs of claim had been filed claiming: \$2,812,293.40 as administrative; \$286,969,330.16 as secured; \$4,479,076.12 as priority; and \$453,310,042.10 as unsecured. Since that motion was filed, approximately 120 more claims were filed and claims were amended. There are approximately 2,419 newly scheduled claims, comprised of, in the aggregate, \$169,742 in newly scheduled priority and \$40,439,356 in unsecured claims.

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- 1 To date, the USACM Trust has filed:
- 2 • Objection to 1,738 claims filed as secured in the amount of \$318,828,005.20
 - 3 • Objection to 11 commission priority claims in the amount of \$207,424.87;
 - 4 • Objections to 124 other claims filed as priority in the amount of
 - 5 \$18,172,906.66;
 - 6 • Motion to reclassify three claims in the amount of \$941,010.58;
 - 7 • Objections to 69 “wrong Debtor” claims in the amount of \$11,839,706.10;
 - 8 • Objections to three claims not enforceable against USACM in the amount of
 - 9 \$75,503,580.13;
 - 10 • Objections to 165 claims for lack of documentation in the amount of
 - 11 \$21,244,657.37;
 - 12 • Objections to 27 claims on miscellaneous grounds in the amount of
 - 13 \$40,973,036.64.

14 The vast majority of these objections have been sustained by the Court. A
 15 stipulation has been executed which provides for the disallowance of the Spectrum and
 16 Weddell proofs of claim as claims that are not enforceable against the USACM
 17 Liquidating Trust, or are duplicate claims in the approximate amount of \$125,000,000.

18 A Motion for Summary Judgment Regarding (1) Responses to the USACM Trust’s
 19 First Through Thirty-Third Omnibus Objection to Claims Asserting a Secured Status;
 20 (2) Responses to USACM Trust’s First through Third Omnibus Objections to Claims
 21 Asserting a Priority Status; and (3) Newly Alleged Secured and Priority Claim [DE 4391]
 22 was filed on July 30, 2007. The motion sought to reclassify approximately 110 claims in
 23 the aggregate amount of over \$17,500,000 as general unsecured claims. The motion came
 24 on for hearing on October 15, 2007. Orders sustaining the objections and granting the
 25 motion for summary judgment on approximately 95 claims were entered. Stipulations
 26 have been reached with seven other claimants. Hearings have been scheduled on the
 remaining claimants.

1 In addition, the Trustee has filed 482 objections to Direct Lenders claims in the
2 amount of \$33,424,883.00, principally on loans paid in full by the borrowers.

3 Further, as the USACM Trust has received information from claimants, it has
4 entered into stipulations for the allowance and disallowance of priority and unsecured
5 claims. Conversely, some claimants have stipulated to either withdraw their claims or
6 have them reclassified as unsecured claims upon discussion with the USACM Trust's
7 counsel.

8 By the time the Court hears this Motion, the USACM Trust will have filed omnibus
9 objections related to the 31 loans that fully performed. The total value of the claims based
10 upon investment in those loans is approximately \$72,043,409.60.

11 The other direct lender claims relate to loans that (1) fully performed, but involve
12 diverted principal; (2) partially performed; (3) are non-performing or still outstanding.
13 The extent to which those loans perform and/or the direct lenders may be compensated
14 from the sale of collateral securing the loans has a major impact on the amount of the
15 claims. The Trustee is handling these claims on a loan by loan basis.

16 The June 12, 2008 deadline does not allow sufficient time for the Trustee to review,
17 investigate, analyze and resolve disputes on the remaining claims. Moreover, as to many
18 of the outstanding loans, Compass and the USACM Trust are still attempting to collect on
19 those loans, and, therefore, it is difficult, if not impossible, to accurately value the claims
20 at this time.

21 For all of these reasons, the USACM Trust believes it needs more than 120 days to
22 complete its review of the claims and file objections, but asks only for 120 days now, so
23 that the Court can monitor the claims resolution process.

24 Discussion

25 Bankruptcy Rule 9006(b)(1) provides that except as otherwise provided by the
26 Rule:

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when an act is required or allowed to be done at or within a specified period by the rules or by a notice given thereunder or by order of court, the court for cause shall at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefore is made before the expiration of the period originally prescribed or as extended by a previous order or (2) on motion made after the expiration of the specified period, permit the act to be done where the failure to act was the result of excusable neglect.

None of the exceptions in Rule 9006(b)(2) or (3) apply here. Accordingly, the Court may, for the cause shown in this Motion, extend the deadline for filing objections to allowance of claims. Nothing in the Plan prohibits the Court from extending the deadline for objecting to claims.

Conclusion

The USACM Trust requests that the Court enter its order further extending the deadline to file objections to allowance of claims until October 10, 2008, without prejudice to an additional extension.

Dated: April 14, 2008.

LEWIS AND ROCA LLP

By /s/ JH (#018024)

Susan M. Freeman, AZ 4199 (pro hac vice)

Rob Charles, NV 6593

John Hinderaker, AZ 18024 (pro hac vice)

Attorneys for USACM Liquidating Trust

Proof of service

Copy of the foregoing was posted on the USACM Liquidating Trust website and served on April 14, 2008 via email, where an email address is listed, or by first class mail, postage prepaid, addressed to:

All parties in interest listed on the Post Effective Date Service List on file with the Court

/s/ Christine E Laurel

Lewis and Roca LLP